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Northern Natural Gas Company
1111 South 103rd Street
Omaha, NE 68124-1000

January 29, 2007

Mr. Ivan Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
Room 462
901 Locust Street
Kansas City, MO 64106

CPF 3-2007-1002W

Dear Mr. Huntoon:

On January 17, 2007, Northern Natural Gas (Northern) received a Warning Letter dated January 16, 2007 resulting from Minnesota Office of Pipeline Safety (MNOPS) audits of Northern facilities on July 31-August 3, August 7-9, August 28-31 and October 9-12, 2006. The audits were conducted at Northern Natural Gas facilities located at Owatonna, North Branch, Farmington and Carlton, Minnesota. Although Northern understands that a formal response is not required, Northern is submitting this letter for the record in response to the issue noted in the Warning Letter.

The following is an excerpt from the Warning Letter with Northern's response in italics:

1. 192.603 General Provisions.

(b) Each operator shall keep records necessary to administer the procedures established under 192.605.

Additionally,

192.605 Procedural manual for operations, maintenance, and emergencies

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year.

Northern Natural Gas personnel were not documenting the annual review of all procedures in the Operation and Maintenance Manual.

Northern reviews procedures on an ongoing basis and as stated in the letter, routinely updates procedures to address changes in regulations and pipeline conditions. Records have been maintained for procedure revisions. To confirm and document the review of procedures not revised within the regulatory time period referenced above, Northern has revised Operating Procedure 10.108 to require that all procedures be reviewed and updated as needed, at intervals not exceeding 15 months, but at least once each calendar year.

The revised Operating Procedure 10.108 requiring this review frequency and documentation is attached.

Northern trusts that this response adequately addresses the concerns of the Warning Letter. Please contact me at (402) 398-7715 if you have any questions or require additional information in regard to this letter.

Sincerely,



Thomas Correll
Director Pipeline Safety and Integrity
(402) 398-7715

1 PURPOSE:

This procedure establishes responsibilities for reviewing *procedures and* the work done by the operations personnel to determine the effectiveness and adequacy of procedures used in normal operation and maintenance. It contributes to compliance with DOT Regulations *192.605(a) and*192.605(b)(8).

2 RESPONSIBILITY FOR ADMINISTRATION:

Pipeline Safety Department.

3 GENERAL:

3.1. *All operating procedures must be reviewed at intervals not exceeding 15 months but at least once each calendar year.*

3.2. This procedure does not apply to the review of abnormal operating conditions. Refer to OP 80.413 for those requirements. *

4 RELATED PROCEDURES:

10.701 Policies and Procedures, Format and System

*80.413 Abnormal Operating Conditions *

5 PROCEDURE:

5.1 *The pipeline safety department will coordinate the annual review of all operating procedures in accordance with 192.605(a).*

5.2 The pipeline safety department will determine which procedures are subject to review *in accordance with 192.605(b)(8).*

5.2.1 A team consisting of members of the pipeline safety department and selected subject matter experts will annually review the work done by operations personnel to determine the effectiveness of those operating procedures that are used during normal operation and maintenance activities. Corrective action will be taken when deficiencies are found.

5.2.2 *Review the procedures required by asking the following questions for each procedure as it is reviewed.

5.2.2.1 What does the procedure address?

5.2.2.2 Does the procedure define what equipment is covered?

5.2.2.3 Does the procedure define what tasks are required?

5.2.2.4 Are the tasks required by the procedure being completed?

5.2.2.5 Is the desired outcome being achieved?

5.2.2.6 Is any undesired outcome being prevented?

5.2.2.7 Are all facilities covered?

5.2.2.8 Are any issues being left undone?

5.2.2.9 Are any requirements unclear?

5.2.2.10 Are any tasks unclear, unnecessary, or impractical?*

- 5.2.3 *The list of subject procedures can be found on Table 1. The list may be modified from time to time.* Complete the review and document the results on Table 1. Whenever an improvement is identified, submit recommendations outlining modifications to a procedure using the procedures and standards suggestion box (PSSB) on the operations intranet home page. (<http://teamsite.nngco.com/PSSB/default.aspx>).

6 RECORDS:

- 6.1 Upon completion of the procedure reviews, submit *documented annual review and * Table 1 to the senior director of safety, compliance and risk management for approval.*
- 6.2 Use D7i to schedule and document the procedure reviews. *Submit to Omaha for scanning into Nvision. Maintain documents for 5 years.*
- 6.3 *Document procedure modification recommendations using the *PSSB* on the operations intranet home page. (<http://teamsite.nngco.com/PSSB/default.aspx>).*

7 CHANGE MANAGEMENT:

Responsibility for Procedure

Address all questions on this procedure to the pipeline safety department.

Revision History:

Rev. 2	10/02/00
Rev. 3	12/15/02
Rev. 4	06/04/03
Rev. 5	03/10/05

Table 1 – Procedures Subject to Annual Review

Procedure Number	Procedure Title	Satisfactory	Not Satisfactory
10.101	Reporting and Investigation of Pipeline and LNG Events	<input type="checkbox"/>	<input type="checkbox"/>
20.201	Communications Systems Uninterrupted Operations	<input type="checkbox"/>	<input type="checkbox"/>
30.201	Compressor and Plant Operating Instructions	<input type="checkbox"/>	<input type="checkbox"/>
30.402	Emergency Shutdown System Training, Operation, and Testing	<input type="checkbox"/>	<input type="checkbox"/>
40.101	Examination of Aboveground Pipelines	<input type="checkbox"/>	<input type="checkbox"/>
40.102	Examination of Buried Pipelines	<input type="checkbox"/>	<input type="checkbox"/>
40.202	Electrical Isolation	<input type="checkbox"/>	<input type="checkbox"/>
40.203	Impressed Current Source Inspection	<input type="checkbox"/>	<input type="checkbox"/>
50.101	Threaded Fitting Inspection	<input type="checkbox"/>	<input type="checkbox"/>
80.201	Repair of In-Service Pipelines	<input type="checkbox"/>	<input type="checkbox"/>
80.202	Operating Pressures limit Criteria for Undamaged Pipelines	<input type="checkbox"/>	<input type="checkbox"/>
80.203	Tapping Pipeline	<input type="checkbox"/>	<input type="checkbox"/>
80.301	Pipeline Marking	<input type="checkbox"/>	<input type="checkbox"/>
80.406	Continuing Surveillance	<input type="checkbox"/>	<input type="checkbox"/>
80.407	Gas Leak Detection Survey	<input type="checkbox"/>	<input type="checkbox"/>
130.201	Farm Tap Settings Inspection and Testing	<input type="checkbox"/>	<input type="checkbox"/>
160.101	Emergency Valve Maintenance	<input type="checkbox"/>	<input type="checkbox"/>
160.102	Pressure Limiting and Relief Devices	<input type="checkbox"/>	<input type="checkbox"/>
160.103	Valve Security	<input type="checkbox"/>	<input type="checkbox"/>

Reviewed by:

Approved by:
